



AWARENESS AND PREFERENCE ABOUT CAPITAL MARKET INSTRUMENTS AMONG GENERAL PUBLIC

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Abstract:

An investment is an asset or item acquired with the goal of generating income or appreciation. There are many avenues of investment available. One among the best available avenues is capital market instruments. Capital market is a growing sector. Now a day's people started preferring capital market instruments to other instruments like banks. Because capital markets are providing with a good return than others. This study has been made to know the awareness and preference of general public towards capital market instruments. A sample size of 76 respondents was considered. The data were collected using convenient sampling questionnaire. Simple percentage and chi-square test were employed to analyse the data.

Key Words: Investment, Appreciation & Capital Market Instruments

Introduction:

Sacrificing of one's present spending is called investment. Investing the surplus amount of one's income after meeting all expenses is called investment. It is a saving of an individual, family or business firm. Investment can fetch a regular income to the investor. It can help to gain more return which is also used for capital appreciation. Savings is the main source of investment and is mainly used for liquidity to meet the required expenses. There are many avenues for investment. Some of the important ones are: Bank deposits, taking up of insurance policies, purchasing capital market and money market instruments, purchasing gold and silver, post office savings deposit, real estate, chit funds etc....One among such important investment avenues is Capital Market instruments.

A capital market is a financial market in which long term debt or equity based securities are bought and sold. Capital markets are defined as markets in which money is provided for periods longer than a year. Capital market channelizes long term investors for their investment. It has two inseparable items with it. They are primary and secondary markets. Every human will expect good return from investment. The only motto of investment is to gain a regular income.

Reviews:

Dr. Tamilselvi made “A study on investors attitude towards investment avenues”. The aim of the study was to find out the main objectives of the investors in Coimbatore district towards making investments and to assess the investor's attitude towards the investment avenues. It also extends to offer suggestions for making investments. The sample size was 300. Television and Print media do not have more impact and they do not know about latest avenues. The government has to take steps to make investors aware of the investments available was the findings of the study.

Mahalakshmi Kumar et al made “ A study of awareness regarding investment avenues among educated working women with special reference to Mumbai city”, to find out the investment avenues available and the awareness level of educated working women regarding various investment avenues with soecial reference to Mumbai city. Primary and secondary data were used. Structurred questionnaire was used. Descriptive cross-sectional design was adopted. Under non-probability sampling, convenience and judgemental sampling methods were used. 500 respondents were considered. Non- parametric tests were used. The findings revealed that in this world women should have equal rights. So just earning income is not enough. They have to invest in a wise manner. The maximum “do not put all your eggs in the same basket” should be kept in mind while making investments.

Nagajeyakumar Atchyuthan et al made “A study of investor's awareness and preference of working women in Jaffna district in Sri Lanka”. The study is based on female employees who are working in government and private sector organisation at middle level staff position. For this purpose primary data of 125 respondents were taken using convenient sampling questionnaire. Percentage analysis and chi- square test was used. The researcher has analysed that working women are mostly aware of the investment avenues and they highly depend on the husbands while taking decisions. It concludes that awareness level of working women in Jaffna is not significantly related to age, occupation and educational qualification. The investment preference order of the respondents is secured investment attitudes, bank deposits and gold were popular.

Prof. Neha S Shukla made an attempt on “A study of investment preference of working women of North Gujarat region”. The objective of the study was to study the investment preference of working women and also the source from where they get information. Both primary and secondary data were used. The sample size was 100 respondents. She used convenience sampling method. Non-disguised structured questionnaire was used. The conclusion was that the working women invest in various investment avenues. In addition to that understanding the demographics with the help of the chi-square test, it was found that there is no relationship between education and investment. While there is a significant relationship between age and income.

Statement of the Problem:

In today’s world, people are very happy in increasing their wealth. So they are in search of best investment avenues to invest their hard earned money in a safer place. One of the best available investment avenues is capital market instruments. To find out the factors influencing investors, in the study made by Dr. K. Ravichandran entitled “A study on investor’s preference towards various investment avenues in capital market with special reference to Derivatives”. He concluded that the investors should be aware of various hedging and speculation strategies, which can reduce their risk. Awareness about derivatives may be given. Likewise in another study made by Dr. G. Santhiyavalli and M. Usharani on “A study on investment avenues with particular reference to mutual funds”, concluded that customers believe that the mutual fund industry falls short of expectations in meeting their needs at the time of economic uncertainty and market volatility. So it has come to an end that awareness and market uncertainty stands as a major problem among capital market investors. In connection to the above studies, the following questions are raised. Whether people have awareness about capital market? Do they prefer capital market instruments? Are they aware of all the procedures of capital market?

Objectives:

To trace out the possible outcomes the study has been carried out with the following objectives.

- ✓ To find out why people hesitate to invest in capital market instruments?
- ✓ To study the awareness level among the general public.
- ✓ To determine the general public’s level of preference towards capital market instruments.

Significance of the Study:

This research work will be useful for the government. From this study they can know why people hesitate to invest in capital market instruments. The government can also try to create awareness. This will also be useful to the companies and Stock exchanges. Shares are usually issued by companies. So they have to take much better care for sale of shares. They may try to create more awareness about their issue, so that some new investors can be induced. Even stock exchanges have equal work for making general public to buy shares. So they have to take appropriate actions. They can from this study know that awareness is the major reason for less investment. So they can try to increase the awareness level by conducting Seminars, Conferences and can also issue pamphlets and also through various other advertising media.

Methodology:

Data Collected	:	Primary and Secondary Data
Sample Size	:	76
Sample Technique	:	Convenient Sampling Method
Tools Used	:	Simple Percentage Analysis and Chi- Square Test.

Findings:

- The findings of the study are divide into two sections according to the analyses:
- ✓ Simple percentage analysis.
 - ✓ Chi-square test.

Socio-Economic Profile of the Sample Respondents:

The findings relating to Socio-economic profile of the respondents, their level of awareness and preference are presented in the following paragraphs:

Majority 55(72.37%) of the respondents are from Town and maximum of 41(53.95%) of them are below 30 years of age. Most of 47(61.84%) of the respondents are Male. Maximum of 37(48.68%) of the respondents are Undergraduates while maximum of 37(48.68%) are employed. Maximum of 26(34.21%) of the respondents earn up to 20000. Majority of 51(67.11%) are Married. Majority of 50(65.79%) of the respondents belong to Nuclear family. Majority of 40(52.63%) have 2 earning members in their family. The maximum of 33(43.42%) of the respondents family, 2 persons stand non- earning. Majority of 51(67.11%) of the respondents have up to 2 Children.

Variables Influencing Level of Awareness and Preference towards Capital Market Instruments:

Level of Awareness: To assess the association between various independent variables like age, gender, etc.. and level of awareness, chi-square test is employed.

Occupation: Chi-square test shows that high percentage of low level of awareness is among Agriculturists and employed and high level of awareness is among Employed people. There is an significant association between Occupation and level of awareness.

Family Income per Month: Chi-square test reveals that high percentage of low level of awareness is among respondents whose family income is below 20000 and high percentage of high level of awareness is among respondents whose family income is between 20001 and 40000. There exists a significant association between Family income and level of awareness.

Residence: Chi-square test reveals that high percentage of General public having low level of awareness is found among Town people and high percentage of General public having high level of awareness is also among Town people. There do not exist an association between area of residence and level of awareness.

Age: Chi-square test reveals that both high percentage of low and high level of awareness is among people Below 30 years of age. There exist no association between age group and level of awareness.

Gender: Chi-square test reveals that both Male and Female have equal high percentage of low and high level of awareness. There exists no association between age group and level of awareness.

Educational Qualification: Chi-square test says that high percentage of low level of awareness is among undergraduates and high level of awareness is among post graduates. There is no significant Association between educational qualification and level of awareness.

Marital Status: Chi-square test explains that high percentage of low and high level of awareness is among Married respondents. There does not exist an association between Marital status and level of awareness.

Type of Family: Chi-square test shows that high percentage of low and high level of awareness is among respondents who belong to Nuclear family. There is no association between type of family and level of awareness.

Number of Members:

Earning Members in the Family: Chi-square test reveals that high percentage of low and high level of awareness is among respondents whose families have 2 earning members. There exists no association between number of earning members and level of awareness.

Non-Earning Members in the Family: Chi-square test reveals that high percentage of low and high level of awareness is among respondents whose families have 2 non-earning members. There exists no association between number of non-earning members and level of awareness.

Number of Children: Chi-square test reveals that high percentage of low and high level of awareness is among respondents whose families have up to 2 children. There exists no association between number of children and level of awareness.

Level of Preference:

Marital Status: Chi-square test says that high percentage of low level of preference is among both unmarried and married respondents and high level of preference is among Married respondents. There exist an association between age group and level of preference

Residence: Chi-square test reveals that high percentage of General public having low level of preference is found among Town and village people equally and high percentage of General public having high level of preference is also among Town people. There do not exist an association between area of residence and level of preference.

Age: Chi-square test reveals that both high percentage of low and high level of preference is among people Below 30 years of age. There exist no association between age group and level of preference.

Gender: Chi-square test reveals that both Male and Female have equal high percentage of low and high level of preference. There exists no association between age group and level of preference.

Educational Qualification: Chi-square test says that high percentage of low level of preference is among undergraduates and high level of preference is also among under graduates. There is no significant Association between educational qualification and level of preference.

Occupation: Chi-square test shows that high percentage of low level of preference is among Business, Professionals and employed and high level of preference is among Employed people. There exists no significant association between Occupation and level of preference.

Family Income per Month: Chi-square test reveals that high percentage of low level of preference is among respondents whose family income is above 60000 and high percentage of high level of preference is among respondents whose family income is between up to 20000 and 20001 and 40000 equally. There exists no significant association between Family income and level of preference.

Type of Family: Chi-square test shows that high percentage of low and high level of preference is among respondents who belong to Nuclear family. There is no association between type of family and level of preference.

Number of Members:

Earning: Chi-square test reveals that high percentage of low and high level of preference is among respondents whose families have 2 earning members. There exists no association between number of earning members and level of preference.

Non-Earning: Chi-square test reveals that high percentage of low level of preference is among respondents who have 1 and 2 non-earning members and high level of preference is among respondents whose families have 2

non-earning members. There exists no association between number of non-earning members and level of preference.

No. of Children: Chi-square test reveals that high percentage of low and high level of preference is among respondents whose families have up to 2 children. There exists no association between number of children and level of preference.

Suggestions:

From the study made and the data collected the following suggestions can be given to the government, companies and Stock exchanges.

- ✓ Seminars and Conferences about capital market instruments may be conducted to create awareness.
- ✓ Various advertising means can be used to make people familiar about the available capital market instruments.
- ✓ Competitions related to capital market instruments may be conducted for students.
- ✓ Companies may try to give surety for the amount invested.
- ✓ Documentary films about capital market instruments may be released in Social media, to create awareness.
- ✓ Stock exchanges may tighten their rules and try to avoid illegal activities.

Conclusion:

Investment is one which is necessary to save one's hard earned money. Without investment avenues this is not possible. One among the available avenues is capital market instruments. From the research work it is concluded that general public do not have enough awareness level. People hesitate to invest because of risk level and lack of awareness. They also say that if they have low risk and if they gain some more knowledge about capital market instruments they will invest in capital market instruments. So proper awareness to the General public must be given to improve their confidence level.

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